

# Somerset County Economic Development Commission

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November 2, 2016

Mr. Doug Taylor  
Somerset County Administrator  
11916 Somerset Avenue  
Princess Anne, Maryland 21853

Dear Mr. Taylor,

The Somerset County Economic Development Commission (EDC) has been working with Algonquin Power on their proposed renewable energy solar project for Somerset County. As you are aware, material has been provided to the Somerset County Commissioners regarding this project which emphasizes the many benefits that it would bring to the County. There have been numerous discussions concerning the tax related issues; however I would like to submit other important material that you may find of interest concerning the project as it does not directly relate to your ongoing negotiations.

I was able to attend a Job Fair that was hosted by Algonquin Power on October 13, 2016 and speak with the various sub-contractors (APPLIED High Voltage, Phoenix Solar). This allowed me the opportunity to speak about the project and gather valuable information that would help me better understand what a tremendous benefit that a project like this would be for our area. This information does not include the investment that the company has already made to the local economy such as the many sponsorships, opening an office in downtown Main Street Princess Anne, etc.

Some of the benefits that will bring additional revenue to the local business community include local contractors (site improvements and utility needs), local hardware stores, lodging, transportation, groceries, beverages, entertainment, etc.

A statistical breakdown provided to the Somerset County EDC by the sub-contractors is as follows:

- Total estimated investment in the initial phase of the project: **\$165 Million**
- Land lease (\$6 million) and/or acquisition (\$5 million) of approximately 800 acres of land (4 parcels): **\$11 Million**
- Lodging needs for 60% of workforce
  - Rooms (per diem rate) *6 rooms for 40 weeks, 4 rooms for 20 weeks, 10 rooms for 16 weeks* = 3,360 room nights at aver of \$85 (\$285,600) + *2 rooms for 20 weeks, 10 rooms for 16 weeks* + 1,400 room nights (\$119,000)
  - **Grand Total Lodging Expense- \$404,600**
  - Hotel Tax (5%)- **\$20,230**
  - Management Lodging (3 apartments @ \$1,000 per month x 8 months)- **\$24,000**
- Food: 350 estimated people x 30 days x 8 months x \$40 per day = **\$3,360,000**
  - Per diem rate (\$40)
- Vehicle needs: **10-15 @ \$25,000 each**
  - Lease and / or company owned= **\$375,000**
- Overall employment numbers (based on other projects) 350
  - Percentage that need accommodations from out of the area- **60% (210 employees)**



- Percentage that will commute – 40% (140 employees)
- Budgeted amount to local contractors, etc. **\$1.5 Million**
  - Site improvement- 80%- (\$1.2 million)
  - Electrical- 10%- (\$150,000)
  - Miscellaneous- 10% (\$150,000)
- Budget line item for misc. items
  - Local hardware stores **\$80,000 + \$5,000 = \$85,000**
- Realizing that this numbers does not reflect items purchased by the workers on their own (entertainment, beverages, groceries, etc.), we estimate that each employee (350) will spend approximately \$12 per day which equals **\$1,008,000**
  - *As a footnote, this would be a great opportunity to have a **Great Hope Golf Package** for these perspective employees, which is not reflected in these numbers.*

❖ GRAND TOTAL OF INDIRECT CONTRIBUTION TO BUSINESS COMMUNITY DURING CONSTRUCTION PHASE

○ **\$6,776,830**

The current economic indicators reflect that providing business opportunities and employment to our residents is crucial. This project would bring much-needed construction jobs, additional tax revenue, and will provide a tremendous local financial investment to the business community in Somerset County that is struggling economically. To gather this information, I went to the lodging facilities, restaurants, hardware store, and auto dealer, to learn how valuable these types of numbers are to their business. If you would like support letters from those various businesses, I would be more than happy to oblige. I wanted to share this information with you because I'm not sure if it was ever compiled in one format. Thanks for your assistance and continued support to growing the local economy in Somerset County.

Sincerely,

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Daniel K. Thompson  
Executive Director

Cc: Somerset County Commissioners  
Algonquin Power